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1 RECORD OF ORAL HEARING  
2  
3 UNITED STATES PATENT AND TRADEMARK OFFICE  
4  
5  
6 BEFORE THE BOARD OF PATENT APPEALS  
7 AND INTERFERENCES  
8  
9

10 *Ex parte* ANTHONY R. ROTHSCHILD  
11

12  
13 Appeal 2011-001313  
14 Application 09/755,541  
15 Technology Center 3600  
16

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18 Oral Hearing Held: March 8, 2012  
19

20  
21 Before ANTON W. FETTING, MEREDITH C. PETRAVICK, and  
22 MICHAEL W. KIM, *Administrative Patent Judges*.  
23

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33 The above-entitled matter came on for hearing on Thursday, March 8,  
34 2012, commencing at 9:22 a.m., at the U.S. Patent and Trademark Office,  
35 600 Dulany Street, Alexandria, Virginia, before Paula Lowery, Notary  
36 Public.  
37

1 THE USHER: Good morning. Calendar Number 31, Appeal Number  
2 2011-001313, Mr. Berliner.

3 JUDGE FETTING: Good morning, Counsel. This is Calendar  
4 Number 31, Appeal 2011-001313. It should be Application Number  
5 09/755,541. I am Judge Fetting, and with me are Judges Petravick and Kim.  
6 We are familiar with the record. I would ask whether -- I was not aware we  
7 were going to have some sort of Power Point. Hopefully, there's nothing on  
8 there that's not already in the record?

9 MR. BERLINER: That's correct.

10 JUDGE FETTING: Good. We're familiar with the record, you have  
11 20 minutes. Please start.

12 MR. BERLINER: Thank you, Your Honor. My name is Brian  
13 Berliner. I'm representing the Applicant Tony Rothschild, who is with me  
14 here today. This is an application that claims priority back to January of  
15 2000, so we're very pleased to be here today and hope we can bring this  
16 application to a favorable conclusion. Let me talk a little bit about the  
17 invention, and then I'll talk about the prior art. The invention is directed to  
18 an e-mail advertising system. In particular, it's an e-mail advertising system  
19 in which an advertisement is inserted into an e-mail based on information  
20 that is provided by the sender of the e-mail. There's a simple premise behind  
21 the invention, and that's that the sender knows the recipient and has an idea  
22 of what type of information would be receptive to the recipient; and,  
23 therefore, is in a better position to select an advertisement.

24 There are two embodiments described in the patent application that  
25 are defined in the claims that are at issue here. The first embodiment is such

1 that the advertisement that is inserted into the e-mail is based on the content  
2 of the e-mail. In other words, if I'm sending an e-mail to someone inviting  
3 them to attend a baseball game, the advertisement that's selected might be a  
4 sports-related advertisement because it's based on the content of the  
5 message. Again, because the advertisement relates to something that's in the  
6 message, there's a greater likelihood that the recipient of the message is  
7 going to find the advertisement to be of interest.

8 There's a second embodiment in which the advertisement is based on  
9 two types of information. The first, once again, is the content, which I've  
10 already described. The second piece of information is what's defined in the  
11 claims as advertisement-type data.

12 In other words, an advertisement-type data might specifically identify  
13 the type of advertisement. Once again, the sender may say sports. Sports is  
14 the type of advertisement that should be inserted into the e-mail.  
15 So if we go back in time to January of 2000, there were three known ways in  
16 which e-mails used advertising. The first way, which I'm sure you're all  
17 familiar, is when an e-mail is broadcast to a large number of people; and the  
18 e-mail is basically an advertisement. This is commonly referred to as spam.  
19 This was not a very effective advertising system for a number of reasons.  
20 One of the main reasons is the sender doesn't really know the recipient. It's  
21 just being broadcast to a large number of folks, and there's often no  
22 relationship between the advertisement and the recipient. Very often the  
23 recipient would just delete those messages as I'm sure you've all done.

1           The second known e-mail system was often in connection with a free  
2 e-mail server. So a company would offer you a free e-mail service, but they  
3 would stick a random advertisement into your e-mails that you send.  
4 Maybe this is a little better than spam because the sender would know the  
5 recipient, but the advertisement that got inserted really had no relation to  
6 anything. Once again, it was a random advertisement.

7           The third known e-mail system was based on demographic data of the  
8 recipient. In these situations very often the recipient has signed on to a free  
9 e-mail service and provided demographic information: their age, their  
10 occupation, where they live, that sort of thing. The system would use that  
11 demographic information to select an advertisement to insert in the e-mail.  
12 The drawback with that system is it only works if the system knows the  
13 recipient's demographic information. If I'm sending an e-mail to someone  
14 that's not part of that system, they don't know the person. They don't have  
15 the demographic information.

16          The Applicant recognized there was a drawback with all these systems  
17 that could be overcome by using sender provided information. Because,  
18 again, the sender knows something about the recipient, the sender is in the  
19 best position to select an advertisement that would be of interest.  
20 Let me go on and describe the invention in a little more detail, and it is quite  
21 simple. If we look up here on the left, it's the sender. Over here is the  
22 recipient. The dotted line represents the traffic of sending the e-mail.  
23 The way this works is the sender sends an e-mail and it passes through this  
24 website. An advertiser network is connected to the website, and the  
25 advertiser network will select an advertisement based on the content of the

1 e-mail, insert the advertisement into the e-mail, and then forward it on to the  
2 recipient. That's the simple description of the process.

3 If we go on to the claims, all the claims have -- I'm just going to use  
4 62 as an exemplary claim. They all have the same basic limitations of using  
5 a portion of the content of the communication to select an advertisement and  
6 then to insert that advertisement into the communication, and send it on to a  
7 recipient.

8 Similar limitations are found in all the independent claims.  
9 The Examiner rejected the independent claims based on two references. The  
10 first one is Gabbard, and the second one is Roth. Let me talk a little bit  
11 about Gabbard. I've put up here on the screen Figure 1 from Gabbard.  
12 Gabbard is an example of a prior art e-mail system in which the e-mail  
13 selects an advertisement and inserts the advertisement into the e-mail.  
14 Here we see a structure that is somewhat similar, but at the top are the  
15 senders of the e-mail. Down here are the recipients of the e-mail. The e-  
16 mail itself is intercepted by a network server that inserts an advertisement  
17 into the e-mail and sends it on to the recipient.

18 So, so far that sounds like the application, but there's a very important  
19 difference. The important difference is the way in which the advertisement  
20 is selected. What Gabbard teaches is it uses demographic data about the  
21 recipient. As I spoke at the very beginning, this is one of the three known  
22 types of e-mail systems out there.

23 What Gabbard does not do is it does not select and insert an  
24 advertisement based on the content of the e-mail, or any other information  
25 that's provided by the sender.

1           The Examiner agreed that Gabbard did not disclose this feature, but  
2   what he argued was the feature was shown in Roth.

3   Let me now talk a little about Roth. Roth does not describe an e-mail  
4   advertising system. What it describes is a web-based advertising system.  
5   Here's how it works.

6           Up here in the left is the browser. The user is using the browser to  
7   access a website and will pull down a web page which is shown on the  
8   screen into the browser. The web page itself has a link in it which the patent  
9   calls a view op, and the link tells the browser to go out to an ad server to  
10   grab an advertisement. The ad server will then provide the advertisement to  
11   the browser, and what the user sees is the web site with the advertisement  
12   inserted into it.

13          Most users probably assume it just comes from the same place, but it's  
14   really being fed to you from two different servers. The way the ad server  
15   works is the ad server works with a whole bunch of bidding agents that will  
16   bid on the opportunity to present an advertisement into the web site.  
17   The ad server will provide criteria --

18          JUDGE FETTING: Counsel, these bidding agents are software  
19   agents, correct?

20          MR. BERLINER: Correct, yes.

21          JUDGE FETTING: Okay.

22          MR. BERLINER: That's right. Their software agents that would be,  
23   you know, ultimately controlled by some customer. You know, like  
24   Chevrolet will enter into the system and say I want to bid five cents for a  
25   view op.

1 JUDGE FETTING: But it's not a human putting in a bid. It's a  
2 software -- the software is actually doing the bid.

3 MR. BERLINER: That's right, these are software agents, although I  
4 guess they could be human agents. Ultimately, there's a human that's  
5 entering the data; but this system is controlled -- there may be thousands of  
6 these bidding agents. This graphic just shows a few.

7 The way the ad server works is it's able to aggregate large amounts of  
8 information, and then the bidding agents can use that information to decide  
9 whether or not they want to bid. As you pointed out, it's an automated  
10 process.

11 So with the bid selection process there's logic here that will pick the  
12 highest bid, and that's the ad that ends up in the web site. The important part  
13 of Roth for our discussion is the question of how does -- what information  
14 do the bidding agents have to make their decision about whether or not they  
15 want to bid. What the patent teaches is the information comes from two  
16 places. The first place we see in the browser is cookie information. What a  
17 cookie is is a file that's on your computer that tracks where you've been.  
18 So by accessing the cookie information, I know this user frequents sports-  
19 related web sites. I think the example they give in Roth is the bidding agents  
20 want to bid on a user that has visited a financial services web site three times  
21 in the last week. So this cookie is tracking the use by the browser by the  
22 user.

23 The second type of information that it uses is in this data base of  
24 advertisements. This is, I think, the crux of the debate this morning. About  
25 the information that's in this database. The database contains information



1 about the web site. Probably information about many, many, many web  
2 sites that it has collected. By using the information about web sites, the ad  
3 server knows what web site you're visiting; and it knows the history of the  
4 browser.

5 By using that information, bidding agents are able to bid and  
6 ultimately to select an advertisement that goes into the web page.  
7 So the Examiner used the teaching of using information on the web site to  
8 select an advertisement to make up for the deficiency of Gabbard that we  
9 talked about.

10 Our view is there is a number of deficiencies with the rejection. The  
11 first one is we believe there is no motivation to combine Gabbard with Roth.  
12 Someone skilled in the art wouldn't look to Roth to solve the issue with  
13 Gabbard, and there's a very fundamental reason for that. That's because  
14 Gabbard is an e-mail system, Roth is a web page system. Even though they  
15 both deal with information that's being passed over the web, there's a  
16 fundamental difference in those two types of information in terms of what  
17 information is available to select advertisements.

18 Going back to Roth, Roth doesn't explain how the key words about  
19 the web site are acquired; but there is evidence in the record that Roth  
20 acquires key words from the web sites meta data. As you may know, it was  
21 well known that web sites would have a file called meta data that's linked to  
22 the web page.

23 It's not something you'd see on your browser, but the meta data would  
24 include information about the web page, such as the name of the web page,

1 the owner's name, the URL, and most fundamentally, key words about the  
2 web site.

3 JUDGE FETTING: But meta data is typically in the same file, it's  
4 just hidden from view.

5 MR. BERLINER: Exactly right. This information was used then by  
6 search engines that would go out and collect the meta data, particularly the  
7 key words in the meta data, and would use that in order to sift through  
8 databases in order to find a search result that they're looking for.  
9 So if you want to search on Google using the word sports, it would use all  
10 the key word meta data that it's collected in order to find web sites and rank  
11 them in order of relevance.

12 JUDGE FETTING: But to your point though, Roth does not say that  
13 it's restricted just to meta data. It uses whatever key words are appropriate.

14 MR. BERLINER: That's right, and I think that is an important point.  
15 Roth is silent as to how the information gets there.  
16 While there's evidence in the record, and we acknowledge that web site meta  
17 data was known to persons of skill in the art, there's no evidence in the  
18 record that e-mail included message content of meta data. Keyword meta  
19 data.

20 I think that gets back to the fundamental difference between web  
21 pages and e-mails. When you create a web page, you want the world to find  
22 your web page. The way the world finds it is by putting those key words out  
23 there so the search engines can collect the information and use that.  
24 In contrast an e-mail recipient doesn't have to search the web for their e-  
25 mail. It's addressed to them. In fact, you don't want the world to find your

1 e-mail. You wouldn't run a search on Google on Brian Berliner's e-mail and  
2 pull up all my e-mail. That information is not indexed, and it's not collected

3 --

4 JUDGE FETTING: Counsel, it would seem that Roth at least  
5 indicates that it was known to select an advertisement based upon the  
6 content of what was being transmitted. In this case, a web page, but it's  
7 communication.

8 MR. BERLINER: I don't disagree with that, but I think it's a  
9 communication that was intended to be available to the public. The  
10 information that it's collecting from it is information that's freely made  
11 available --

12 JUDGE FETTING: E-mails frequently go to the public, witness my  
13 spam I've got to clean out all the time.

14 MR. BERLINER: Well, it's sent to you, but it's not indexed on a web  
15 server in a fashion where someone would be able to run a search and  
16 identify all the spam messages, for example.

17 It's sent to you because it knows all your e-mail address. It's not sent  
18 to you because it has certain key words that you've indicated are of interest.  
19 I think what Roth teaches -- I don't disagree at all that Roth teaches that you  
20 would use information from the web site in order to select an advertisement  
21 for a web site. What I'm saying is the structure of Roth and the methodology  
22 taught by Roth just wouldn't be applicable to an e-mail system. The type of  
23 information that it uses is just unable to be collected. What the Examiner  
24 says -- and this may be where you're going -- the Examiner says, well, what  
25 Roth may have done is use a parsing technique. It looks at the e-mail, rather

1 than looking at key words, and it parses through the text of the e-mail in  
2 order to derive the key words. I want to address that argument. First I will  
3 point out that Roth doesn't say anything about parsing technique. First of  
4 all, the Examiner didn't provide any support for his belief. He's taken  
5 official notice of this during the prosecution, and we challenged the  
6 Examiner to cite evidence on that, and he did not. But the second problem  
7 with this argument is we just don't believe --

8 JUDGE FETTING: Whoa, whoa, whoa. we're talking about HTML  
9 documents. HTML relies completely on parsing technology. There's no  
10 way to interpret an HTML document without using a parser. There's no  
11 way.

12 MR. BERLINER: Okay, I'll accept that. An HTML document like a  
13 web site -- I'm not going to dispute that parsing wasn't known.  
14 What we do dispute is whether parsing would have been applied to an e-  
15 mail. One of the reasons why I think it wouldn't work, again, getting back to  
16 this database. Roth doesn't -- again, it doesn't explain how this information  
17 is populated. Let's say it's populated using a parsing technique.  
18 Let's say it's populated using meta data that was collected. What Roth  
19 certainly suggests is this database was in existence before the time of the  
20 view op. So this information was collected at some point in time  
21 beforehand. That's sort of the nature of how this ad server works. This  
22 population of this database.

23 Then when a view op occurs, it says, ah, you're at the ESPN web site,  
24 we've got a file for that. We know what they key words are for that, and  
25 we'll use that information. This wouldn't be practical with an e-mail

1 because, first of all, an e-mail just doesn't exist prior to the time that it's  
2 created and sent. Unlike a web site that's out there, publicly accessible.  
3 The e-mail is created sort of on the fly. There wouldn't be an opportunity to  
4 collect and populate a database on the e-mails. Taking it a step further, the  
5 e-mails themselves are an inherently private communication.  
6 There would be no mechanism -- in fact, it would be a violation of privacy --  
7 for the search engines to collect large volumes of e-mails in advance to parse  
8 them and --

9 JUDGE FETTING: Wait a minute, Counsel. It seems to me you're  
10 assuming that one of ordinary skill is going to say, well, the only way I can  
11 practice Roth is by using their database. Clearly, Roth is at least good for  
12 telling a person of ordinary skill in the art of marketing that you can rely  
13 upon the content of a web page, however you get it. It can be on the fly  
14 parsing. It can be, as in Roth, a database that's built up in advance. It could  
15 be a variety of techniques; but that's a valuable way to select an  
16 advertisement.

17 The technology is up to one of ordinary skill in the software arts, but  
18 the marketer doesn't care how he gets it. He'll go to a software program  
19 and say, you know, pick your poison. I don't care how you get it, but I want  
20 a way -- because this is really cool. This tells me that I can look at the  
21 content of a web page and from that decide what advertisement I want to put  
22 in there.

23 MR. BERLINER: Well, I think --

1 JUDGE FETTING: Then it would seem to me that once I've done  
2 that, why not put that advertisement in the e-mail as well? I've selected an  
3 advertisement. I mean, I could put it in a web page and in an e-mail.

4 MR. BERLINER: I think what you're in essence suggesting is to take  
5 one piece of Roth, that aspect of it, and use that information to make up for  
6 the deficiency of Gabbard rather than looking at the reference as a whole and  
7 what it teaches. What it teaches is a system that's based on use of  
8 information that was collected at some point in time prior to the view op,  
9 and using that information to --

10 JUDGE FETTING: Again, that's a specific implementation. Yes, I  
11 would look at it for everything that it teaches. But as one of ordinary skill, I  
12 can look at all of the things individually that it teaches. I don't have to use  
13 their implementation.

14 MR. BERLINER: Okay, why don't I proceed. I think the fact is that  
15 the implementation in Roth is significant to the way in which it works; and I  
16 think you can't take one piece of it to the exclusion of other pieces of it.  
17 What Roth teaches is a system that uses various criteria of information --  
18 some collected in advance, some taken from the browser -- in order to  
19 present criteria to bidding agents. I think the overall structure of it would be  
20 impractical within an e-mail environment.

21 Let me talk about a separate aspect of Roth that I think is important.  
22 Going back to the claims, the claims do require that certain features and  
23 certain functions occur. Again, as we talked about in the beginning, the  
24 claims require you use a portion of the content to automatically select an  
25 advertisement, and then to insert the selected advertisement into the e-mail

1    itself. What Roth teaches is that, you know, you use the information to  
2    present bids; but the bid selection logic selects the highest bid and displays  
3    that one. In other words, the advertisement that is selected is not based on  
4    the content, it's based on the highest bidder.

5           Again, if we look at this from Roth, this example shows multiple  
6    bidding agents. Let's just say this one is Nike, this one is Chevrolet, and this  
7    one is Budweiser. The ad that ends up in your page is based on which one  
8    of these three bid the highest.

9           JUDGE FETTING: But that bid is, in turn, based upon the key words.

10          MR. BERLINER: It's based upon, but the express language of the  
11    claim says that the advertisement is selected.

12          JUDGE FETTING: The select language is using, and it doesn't  
13    specify as far as I can tell how it is used to automatically select.  
14    Now, it would seem to me that if you have used the key words to formulate a  
15    bid, which in turn selects, you have used that key word as part of that  
16    selection process. The problem is the word use is very broad.

17          MR. BERLINER: What the Examiner says is Roth teaches that the ad  
18    is targeted based on various factors. We've focused on the fact that while  
19    the advertisers may use the key words to target certain web sites, the logic  
20    itself makes the selection and the insertion. It does that purely on the bid.

21          JUDGE FETTING: It's coming up on 20 minutes, counsel. Why  
22    don't you wrap it up.

23          MR. BERLINER: I appreciate that. Why don't I move on to the  
24    second part of my argument which is dealing with the dependent claims. I  
25    think I can wrap this one up pretty quickly. As I mentioned, the second

1 embodiment uses two types of information. It uses the content of the  
2 message, and it uses this advertisement type data, and this is defined in  
3 Claim 88 and some of the similar claims.

4 Again, an example of advertisement-type data would be sports. By  
5 defining that an advertisement similar to that would be selected.  
6 The Examiner argues that this feature is disclosed in the Gabbard reference.  
7 Specifically, the Examiner says the demographic data is provided by the user  
8 and used to select an advertisement.

9 Quite simply, we feel there's two problems with that. First of all, in  
10 Gabbard the demographic information is the recipient's information. It's not  
11 the sender's information.

12 Second of all, demographic data is different in character than what  
13 we've defined as advertisement-type data. Advertisement-type data defines  
14 specifically a type of advertisement where demographic defines  
15 characteristics of the recipient. With that, let me end, unless you have any  
16 questions.

17 JUDGE FETTING: I have no questions. Do you have any questions?

18 JUDGE PETRAVICK: No.

19 JUDGE KIM: No.

20 JUDGE FETTING: Thank you very much. We'll take your  
21 comments under advisement.

22 (Whereupon, the proceedings at 9:51 a.m. were concluded.)